

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE FEB 16 2011

LEASE No. GS-11B-02279

THIS LEASE, made and entered into this date by and between Wells REIT-Independence Square, LLC, whose address is:

c/o Piedmont Office Realty Trust, Inc.
11695 Johns Creek Parkway, Suite 350
Johns Creek, GA 30097-1855

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 597,253 BOMA rentable square feet (BRSF) equivalent to 545,731 ANSI/BOMA Office Area square feet (BOASF) of office and related space located on the Parking levels, Concourse levels, and Floors 1-9, being the areas cross hatched on the floor plans attached as Exhibit A and made part hereof, as well as twenty-five (25) structured, secured, reserved parking spaces for Official Government Vehicles, in the building located at 300 E Street, SW, Washington, DC 20024-3210.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a fifteen (15) year firm term beginning on the "Composite Commencement Date" (defined below) and expiring fifteen (15) years after the Composite Commencement Date. The Government has elected to accept the premises in increments in accordance with Section 13 of the General Clauses. Upon substantial completion and acceptance of each increment, the parties shall execute a supplemental lease agreement ("SLA") confirming such commencement and the percentage of the total premises that such increment bears (i.e., a SLA shall be executed for each increment). The Government shall begin paying rent pursuant to this Lease on each increment as it is substantially completed and accepted. After substantial completion and acceptance of all of the increments (i.e., the entire premises), a composite weighted average commencement date for the entire premises (the "Composite Commencement Date") shall be computed (for purposes of determining annual escalations and the firm lease term) by taking into account the applicable commencement date of each increment and what percentage, in terms of rentable square footage, that such increment bears to the entire premises. Prior to substantial completion and acceptance of each increment, the Government shall continue to pay rent at the then current rate for such increment pursuant to the terms of the existing lease (GS-11B-00111) for the premises. The parties shall execute a SLA concurrently for both the existing lease and this lease adjusting the square footage and rent to reflect each increment of space occupied. The parties shall execute an additional SLA after the determination of the Composite Commencement Date to confirm the commencement and expiration dates of the lease term.
3. The Government shall pay the Lessor the annual rent of \$26,601,648.62 (\$44.54 per BRSF / \$48.745 per BOASF) at the rate of \$2,216,804.05 per month in arrears for years one through fifteen. The annual rent shall be subject to operating expense and real estate tax adjustments during the lease term as per the attached Solicitation for Offers. Rent checks shall be made payable to: Wells REIT-Independence Square, LLC, c/o Piedmont Office Realty Trust, Inc., 11695 Johns Creek Parkway, Suite 350, Johns Creek, GA 30097-1855 or in accordance with the electronic payment information posted on the CCR registration, and the previously submitted ACH Form.
4. Commission and Commission Credit - The Lessor has agreed to pay a lease commission of (b) of the firm term value of this lease for the first 10 years and (b) of the lease value for years 11-15, payable in accordance with SFO 9DC2116 (the "SFO") and the separate agreement between the Government's Broker (CB Richard Ellis, Inc.) and Lessor, dated June 28, 2010. The total amount of the Commission is (b) (4) In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, the Government's Broker has agreed to forego a portion of the Commission ("Commission Credit"); equal to (b) (4) as referenced in Section 2.5 of the SFO) of the Commission. The Commission Credit is (b) (4) The Lessor agrees to pay the Commission less the Commission Credit to the Broker totaling (b) (4) in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO, as well as the agreement between the Lessor and the Broker.

guy

Notwithstanding Paragraph 3 of this Standard Form 2, the Commission Credit of (b) (4) shall be deducted from the monthly rent due in the first and second months of the lease term as follows: (b) (4) shall be credited in the first month, leaving (b) (4) as the rent due in the first month and (b) (4) credited in the second month, leaving (b) (4) due for the second month. The Commission Credit will occur the month following execution of the SLA establishing the Composite Occupancy Date. The Government reserves the right to apply the Commission Credit towards any costs of any confirmed Government delay.

5. Additional provisions:

- A) The Lessor shall furnish to the Government, as part of the rental consideration, all services (with the exception of janitorial for the premises, which will be provided by the Government at its sole cost and expense), improvements, alterations, repairs, and utilities as defined by this lease, including janitorial for the common areas, window washing, pest control and snow removal.
- B) In the event the Government vacates any portion of the premises after substantial completion and acceptance of the entire premises, the annual rent shall be adjusted downward by \$1.00 per BOASF for any amount less than one full floor, but at least one-half of a floor; \$2.00 per BOASF for a full floor or greater; and \$3.00 per BOASF for the entire premises following proper notice from the Government in accordance with the SFO, Paragraph 4.4. There shall be no adjustment for vacation of less than one-half of a floor.
- C) The annual rent set forth in Paragraph 3 of this Standard Form 2 shall include a \$45.59 per BOASF (\$41.66 per BRSF) Tenant Improvement allowance amortized at 8.0% over the initial firm term equaling \$5.23 per BOASF (\$4.78 per BRSF) per year. The total amount of the Tenant Improvement allowance is \$24,879,876.29. The Government shall be entitled to utilize the Tenant Improvement allowance to pay for improvements performed by the Lessor at Government's expense. In addition to the provisions contained in Paragraph 3.3 of the SFO "Tenant Improvement Rental Adjustment", the Government reserves the right to convert any unused portion of this allowance to additional rental abatement or decreased rent in accordance with Paragraph 3.3 of the SFO, and shall notify Lessor in writing of its exercise of such election not later than 18 months after substantial completion and acceptance of the entire premises.
- D) Pursuant to Paragraph 4.2 of the SFO, the Government's percentage of Occupancy is 98.51% for tax purposes, as calculated: 597,253 BRSF/606,287 BRSF.
- E) Pursuant to Paragraph 4.1 of the SFO, the "Common Area Factor" is calculated to be 1.09441 as calculated: 597,253 BRSF/ 545,731 BOASF.
- F) The Real Estate Tax Base for the purpose of adjustments shall be the Real Estate Taxes for the property for the first full twelve (12) months from and after the Composite Commencement Date (i.e., the first lease year, rather than a tax year or calendar year). If the Lessor initiates a successful tax appeal, at the direction of the Government, the Lessor shall be entitled to a credit in the amount of its actual expenses in pursuing the appeal. If the Lessor initiates a successful tax appeal independently, the Lessor shall be entitled to a credit in the amount of its actual expenses in pursuing the appeal if there is a net benefit to the Government as a result of the appeal. Real Estate Tax payments shall be adjusted annually in accordance with Paragraph 4.2 of the SFO.
- G) The base amount for annual operating costs adjustments is (b) (4) per BOASF), which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of the SFO.
- H) Notwithstanding anything in the Lease to the contrary, the rate for overtime HVAC services shall be \$73.00 per hour for the first floor of the building utilizing the overtime HVAC. Each additional floor shall be at \$29.00 per hour. If only one zone is used for overtime HVAC services, the overtime rate shall be \$47.00 per hour for the first zone and \$11.00 per hour for each zone thereafter. This rate shall be subject to annual escalations per Paragraph 4.3 of the SFO which adjustments either party may elect in writing to evaluate and negotiate an adjustment (but not more than once per calendar year) consistent with the actual costs incurred by Lessor for such services.
- I) Pursuant to Paragraph 1.1(B) of the SFO, the twenty-five (25) structured, secured, reserved parking spaces discussed in Paragraph 1 of this Standard Form 2 shall be at no additional charge to Government. The Government shall lease, pursuant to a separate agreement or SLA, an additional 771 unreserved parking spaces in the building garage at an annual rate of \$2,352,000.00 plus annual escalations of 3% per year from and after July 20, 2012. HSPD badges will be required to access the

garage, however, the Government has the right to impose reasonable security procedures for personnel lacking HSPD badges, including the potential searching of vehicles.

- J) Pursuant to SFO Paragraph 1.5, the right to use appurtenant areas and facilities shall be non-exclusive and in common with others and Lessor, at no additional cost to the Government, so long as the Government's security requirements are not materially, adversely affected.
- K) The following list of specifications appear in the SFO and, to the extent the existing conditions at the building may not meet the specification or is unknown to the Lessor, the Government agrees to accept the existing condition "as-existing", provided it meets commercially acceptable standards with the understanding the Lessor shall maintain said standards, as a suitable alternative to the stipulated requirement:
 - a. All Base Building Specifications which are either (i) not addressed specifically as deficient on the Government's Facility Engineering Assessment, or (ii) are specifically noted on the Lessor's Swing Space are accepted "as-existing".
 - b. The existing fuel storage tanks are 250, 250 and 500 gallons, respectively.
 - c. Drinking fountains are every 200 ft.
- L) Notwithstanding anything to the contrary in the Lease (including Paragraph 8.14 of the SFO), the Government's right to affix security, communications equipment, and antennae or similar equipment to the roof, parapet or building envelope shall be subject to space availability, and code compliance, and the Government agrees to cooperate with Lessor with respect to all aspects of such placements on the rooftop. Installation and use of such equipment shall be subject to receipt of all required governmental approvals and shall not interfere with the building's systems or structures. The Government shall pay any out-of-pocket or third party costs incurred by Lessor in connection with the Government's use of the roof.
- M) Lessor is responsible for the modernization of the base building and shall, at its sole cost, complete the base building improvements outlined in the Facility Engineering Assessment contained in Rider Number Two, substantially in accordance with Exhibit B (together with any mutually agreed upon written revisions), with the following modifications:
 - a. Items 11, 12 and 13: The Sewer Sump Pumps, Ground Water Sump Pumps and Domestic Water Booster may be continued to be maintained and rebuilt, as necessary to remain at peak operating efficiency.
 - b. Items 14 and 15: The Base Building and 24/7 Cooling Towers may be continued to be maintained and rebuilt, as necessary until they need to be replaced, or at the end of the tenth (10th) lease year, whichever comes first. The Cooling Towers shall be replaced in a manner so as to minimize the disruption to Government operations.
 - c. Item 16: As part of the modernization of the building, the existing medium pressure ductwork may be utilized. Replacement of the flexible ductwork will be performed as part of the space renovations, and reinforcement and sealing of the existing medium pressure ductwork will be done as necessary. All existing supply ductwork will be sufficiently insulated at the completion of each applicable stage of the modernization project.
 - d. Any base building improvements otherwise not addressed in Riders One, Two, Three, or Four shall be provided by Lessor in accordance with the minimum requirements in the SFO.
- N) Lessor, at its sole cost, shall enter into a lease for, and provide to the Government for its use, temporary office space ("Swing Space") to the Government at a separate location during the modernization of the building on a "turn-key" basis, in conformance with the agreed upon plans and specifications attached hereto and made a part hereof as Exhibit C. The "turn-key" shall be in place of the allowance outlined in Paragraph 1.14 (C) of the SFO. Minimal adjustments to the Swing Space Plans may be made at the Government's request and at Lessor's cost, provided that such minimal adjustments shall not exceed five percent (5%) in the aggregate of the Lessor's estimated cost to provide the Swing Space under Exhibit C (the "Swing Space Adjustments Cap"). Additional changes to the Swing Space in excess of the Swing Space Adjustments Cap such shall be at the Government's sole cost and expense, subject to permitted applications from the Tenant Improvement Allowance. The Lessor shall construct the Swing Space substantially in accordance with Exhibit C, which shall include the existing furniture at 1201 Eye Street (a portion of the Swing Space) and similar furniture at 1225 Eye Street (the remaining portion of the Swing

Space) for the Government's use at the Lessor's sole cost and expense, and the Government shall pay all costs for furniture upgrades, changes, or additions to the same. The Swing Space shall be at least 64,000 BRSF, unless agreed to otherwise by the Government, and the Government shall have the right to lease up to 75 parking spaces in the building garage at the prevailing market rate. Lessor shall not be responsible for providing any allowance in connection with the Swing Space. The Government shall be responsible for the costs for the equivalent of one move for the entire square footage of the entire premises described in Section 1 above. The parties shall enter into a SLA to memorialize the delivery of the Swing Space pursuant to the terms of the Lease and provide for any additional required documentation or provisions with respect to the Government's occupancy of the Swing Space (e.g., compliance with laws, building rules and regulations, security, parking, etc.).

- O) Exhibit B attached hereto (the Base Building and Tenant Improvement Construction Schedule for the premises) demonstrates the baseline schedule necessary to achieve the occupancy time frame desired by the Government. Exhibit B shall be superior to any and all other construction schedule references elsewhere in the Lease. If Lessor and Government mutually agree to written revisions to Exhibit B, then Exhibit B as so revised, shall serve as the final construction schedule. The Government shall be responsible for all costs (including, without limitation, any additional costs associated with the Swing Space) associated with any Government delays which result in any delay in occupancy of all or any portion of the premises and the Lessor shall be responsible for all costs (including, without limitation, additional costs associated with the Swing Space) associated with any Lessor delays which result in any delay in occupancy of all or any portion of the premises.
- P) Pursuant to Paragraph 3.2. A. of the SFO the Tenant Improvement Allowance will include the following fees: (i) for standard office build out up to the Tenant Improvement Allowance of \$24,879,876.29, the total fees for General Conditions shall be 7%; the total General Contractor's fees shall be 3%; and the Lessor's total project management fees shall be 3%. Total Architectural and Engineering fees for the initial Tenant Improvement Allowance and Lessor's building shell items have been included as part of the shell rent. Any additional Architectural and/or Engineering fees incurred as a result of changes or delays by the Government shall be at the Government's sole cost and expense. Lessor shall have the right, but not the obligation to bid the project management and general contractor agreements.
- Q) The Lessor, at its sole cost, shall complete all of the correction items on Rider Number One prior to the determination of the Composite Commencement Date; provided, however, that the Government acknowledges and agrees that Item #14 regarding egress from the P-Level stairwell has been waived and is not a correction item as used in this Section. After such work has been completed, the parties shall confirm the same in a SLA.
- R) The Lessor, at its sole cost, shall replace, repair and maintain all items on the Elevator Report contained in the Vertical Transportation Service Program Evaluation Report attached hereto as Rider Number Three prior to the determination of the Composite Commencement Date. After such work has been completed, the parties shall confirm the same in a SLA.
- S) Pursuant to Section 1.2(P) of the SFO, if the Government assumes any of the Optional Operating Costs, the basis for any downward adjustment in the rental rate as a result of the Government choosing to become directly responsible for an Optional Operating Cost shall be the cost of such Optional Operating Cost as set forth in Form 1217 (as may have then been escalated pursuant to Section 4.3 of the SFO as of the date of such election). Once the Government elects to become directly responsible for an Optional Operating Cost, the Government cannot require the Lessor to later re-assume responsibility for such Optional Operating Cost unless (a) the Lessor consents to do so, which consent shall not be unreasonably withheld, and (b) the parties execute a SLA memorializing such assumption and establishing a new base amount and rental rate increase for such Optional Operating Cost.
- T) Notwithstanding anything to the contrary contained in the Lease (including, without limitation, General Clauses Section 28), there shall be no further remeasurements or related adjustments made to the Government's percentage of occupancy or square footage unless there is an increase or decrease in the amount of space being leased by the Government under this Lease; provided that accurate CAD files are used for measurement and the Government's and Lessor's architects agree on the measurements using the specific measurement guidelines set forth in the SFO. In the event of an increase or decrease in the amount of space being leased by the Government, a SLA shall be executed by the parties which will set forth the new percentage of occupancy and square footage of the premises and any related adjustment in rent.
- U) Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 4.6(B) of the SFO), Lessor shall provide (i) 24/7 HVAC for all communications closets and the Government's computer

center, (ii) 24/7 overtime HVAC for the Administrator's Suite, and (iii) 24/7 overtime HVAC for the west lobby and Security Command Post, at Lessor's sole cost and expense, as such are configured as of the date of the Lease (set forth on the first page hereof). Additionally, Lessor shall be responsible for the maintenance, repair and replacement of the Government's supplemental HVAC equipment in the Administrator's Suite, the computer center, the Space Operations Center, the TV Studio, all communications closets, the West Lobby and the Security Command Post, at Lessor's sole cost and expense, as such are configured as of the date of the Lease. The parties acknowledge and agree that all other "above-standard" supplemental equipment in the premises, as well as any additional supplemental HVAC equipment added anywhere within the premises after the date of the Lease, will be submetered at the Government's sole cost and expense to monitor the Government's actual electricity consumption, and the Government shall pay for all costs related to such equipment, including, without limitation, maintenance, repair and replacement, and operating costs at the then-current price per kilowatt hour charged to Lessor by the utility.

- V) Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 4.8(A) and Section 4.8(A.1) of the SFO), and except as set forth in Section 5(U) above, neither Lessor nor the custodial staff shall be responsible for the maintenance, repair or replacement of any Government-owned equipment unless the same is damaged due to the gross negligence or willful misconduct of Lessor or the custodial staff. The Lessor shall report to the Government any concerns or problems that it becomes aware of in the normal course of its responsibilities, but neither the Lessor, nor the custodial staff shall have any "first-line inspector" or other reporting obligations or liability for the same. Furthermore, the Government shall be responsible for all maintenance, repairs, and replacements within the premises which are the direct result of, and result solely from, the gross negligence or willful misconduct of a Government employee. Lessor shall receive a fee in an amount which shall not exceed 15% of the costs for all maintenance, repair, replacement and testing of Government equipment which the parties agree to have Lessor manage via individual task orders; provided, however, that if the total cost for a project is greater than \$300,000.00, then the Lessor's fee shall not exceed 10% on the portion of the project cost exceeding \$300,000.00. The Government shall be provided with an opportunity to witness testing and the production of documentation of testing by Lessor upon prior written request by the Government on a per test basis.
- W) Section 5.7 of the SFO is hereby deleted. In addition, there shall also be no liquidated damages for Government occupancy with respect to the Swing Space.
- X) The Government shall have the right during the lease term to make alterations, attach fixtures, and erect structures or signs ("Alterations") but must obtain the prior written consent of Lessor (which consent shall not be unreasonably withheld, conditioned or delayed) for any non-standard office use Alterations.
- Y) Notwithstanding anything to the contrary in the Lease (including, without limitation, Article 10 of the SFO), the Government's right to install security improvements, devices, or implement security measures is subject to the following conditions: (a) the Government shall pay for all such security measures and Lessor shall have no obligation for the same, (b) the Government shall be responsible for the maintenance, repair and testing of all such devices, and (c) the Government shall pay for all increases in insurance resulting from the implementation of such devices (including, without limitation, deductibles and premiums), if any. Upgraded security measures shall be limited to the duration of any emergency situations (as described in Section 10.32).
- Z) Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 7 of Form 3517B), the Government agrees not to substitute, without the Lessor's prior written consent, any agency which is devoted to any non-office use such as jails, prisons, or other prisoner detainee processing operations of any sort, or any other operations that would likely involve foot traffic or noise levels substantially greater than those associated with the agency currently housed in the building (i.e., NASA). The Government shall pay any increase in costs associated with the substitution of a Government agency or agencies, if applicable. Lessor's consent shall not be unreasonably withheld or delayed.
- AA) Lessor shall use commercially reasonable efforts to mitigate any interference with the Government's day-to-day operations in the premises during the construction period, which efforts shall include, without limitation, the establishment of reasonable rules and regulations for contractors and subcontractors, and regular meetings to address any issues of concern with the tenant agency representatives.
- BB) The Government shall have the right, exercisable upon written notice (the "Purchase Notice"), delivered to Lessor by the earlier of (x) 180 days after full execution and delivery of the Lease, or (y) December 31, 2011, to purchase fee title to the building, the land upon which it is located, and Lessor's related rights, title, and interest (the "Purchase Property") for the purchase price of Six Hundred Eighty Million Dollars

(\$680,000,000.00) (the "Purchase Price"). If the Government timely delivers the Purchase Notice, the parties shall have 180 days after the Lessor's receipt of the Purchase Notice (but in no event later than June 30, 2012) to negotiate a commercially reasonable purchase and sale contract ("PSA") for the Purchase Property, to conduct all due diligence, and to close on the sale. Within ten (10) business days of the delivery of the Purchase Notice, the Government shall deliver into escrow with a nationally recognized title insurance company selected by the Government and reasonably acceptable to Lessor, a non-refundable deposit (the "Deposit") in the amount of five percent (5%) of the Purchase Price (i.e., \$34,000,000.00). The deposit (and any interest earned thereon) will only be refundable to the Government in the event the Lessor fails to satisfy its closing obligations as set forth in the PSA. If (i) the Government shall fail to timely deliver the Purchase Notice, or (ii) the Government fails to deliver the Deposit into escrow as required above, or (iii) the Government fails to timely satisfy its closing obligations as set forth in the PSA, in addition to any remedies Lessor may have at law or in equity, the Government's right to purchase the Purchase Property shall be deemed null, void and of no further force or effect. Notwithstanding anything contained herein or in any other agreement between the Government and the Lessor to the contrary, the Government and any affiliate of the Government agree that the rights granted pursuant to this Section 5(BB) shall in all events be subject and subordinate to any recorded mortgage of the premises as well as any sale or transfer provisions contained therein, and that in the event the premises are transferred (i) to the then holder of such mortgage by reason of a foreclosure action, a deed in lieu of foreclosure or otherwise, (ii) to any single-purpose entity set up by such mortgage holder to acquire title to the property through a foreclosure action, deed in lieu of foreclosure or otherwise, or (iii) to any third-party purchaser of the premises at any foreclosure or other sale of the leased premises pursuant to the terms of the mortgage, the provisions of this Section 5(BB) of the Lease shall automatically terminate and be of no further force or effect

6. If there is any conflict between this SF-2 and the balance of the Lease, the terms specified in this SF-2 shall govern.

The following are attached and made a part hereof:

1. Solicitation for Offers #9DC2116, 68 pages;
2. Exhibit A – Floor plan of leased area, 10 pages;
3. Exhibit B – Base Building and Tenant Improvement Construction Schedule, 2 pages;
4. Exhibit C – Swing Space Plans, 3 pages;
5. Pre-Lease Security Plan, 13 pages;
6. Fire Protection & Life Safety Evaluation, 17 pages;
7. GSA Form 1217, Lessor's Cost Statement, 1 page;
8. GSA Form 3517B, General Clauses, 33 pages;
9. GSA Form 3518, Representations and Certifications, 10 pages;
10. Rider Number One: Life and Life Safety, 3 pages;
11. Rider Number Two: Facility Engineering Assessment, 110 pages;
12. Rider Number Three: Vertical Transportation Service Program Evaluation Report, 62 pages;
13. Rider Number Four: Additional Clarifications and Acknowledgement of Requested Changes to SFO 9DC2116, 4 pages;
14. Small Business Subcontracting Plan: 16 pages.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

By: Wells REIT-Independence Square, LLC,
a Delaware limited liability company

By: 
(Signature)

George Wells, VP
(Printed Name and Title)

11695 Johns Creek Pkwy.
(Address)
#350, Johns Creek, Ga 30097

Feb. 15, 2011
(Date)

IN PRESENCE OF:

(b) (6)

(Signature)

11695 Johns Creek Pkwy. #350
(Address)
Johns Creek, Ga 30097

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

(b) (6)

By:

Kevin Terry

Contracting Officer
(Official title)